DRAFT

THIS GUIDELINE IS IN DRAFT FORM AND IS NOT FOR GENERAL DISTRIBUTION. IT DOES NOT REPRESENT OFFICIAL AGENCY POLICY AND IS SUBJECT TO THE ATTORNEY CLIENT PRIVILEGE.

ADMINISTRATIVE POLICY DISCLAIMER

This policy is designed to provide general information in regard to the current opinions of the Department of Labor & Industries on the subject matter covered. This policy is intended as a guide in the interpretation and application of the relevant statutes, regulations, and policies, and may not be applicable to all situations. This policy does not replace applicable RCW or WAC standards. If additional clarification is required, the Program Manager for Employment Standards should be consulted.

This document is effective as of the date of print and supersedes all previous interpretations and guidelines. Changes may occur after the date of print due to subsequent legislation, administrative rule, or judicial proceedings. The user is encouraged to notify the Program Manager to provide or receive updated information. This document will remain in effect until rescinded, modified, or withdrawn by the Director or his or her designee.

ADMINISTRATIVE POLICY NUMBER: ES.A.9.6

COMPUTER PROFESSIONAL

STATE OF WASHINGTON
DEPARTMENT OF LABOR & INDUSTRIES
EMPLOYMENT STANDARDS

EFFECTIVE: 8/13/04

SEE ALSO: ES.A.9.2 - 5

and ES.9.7 - 8,

ES.A.8.1 and ES.A.8.2, ES.A.9.1, ES.A.10.1, ES.A.10.2, and ES.A.10.3

CHAPTER: RCW.49.46.010(5)(c), RCW 49.46.130(2)(a),

WAC 296-128-500 - 540

TITLE: EXEMPTION FROM MINIMUM WAGE AND OVERTIME

REQUIREMENTS COMPUTER PROFESSIONAL POSITIONS

COMPUTER PROFESSIONAL (WAC 296-128-535)

- **1. Computer Professional Employees Are Exempt.** Those employees who meet the definition of computer professional duties and pay requirements are exempt from the Minimum Wage Act and from payment of overtime wages.
- 2. History of Federal Computer Professional Exemption. In 1992, the U.S. Department of Labor promulgated rules to establish that certain computer professionals are exempt from overtime. First, the general definition of "professional" found in 29 CFR 541.3 was amended by adding specific language referencing computer industry employees (541.3(a)(4)) and by adding language that certain computer industry employees who are paid hourly are still exempt as long as the hourly rate is at least

DRAFT

\$27.63 (CFR 541.3(e)). Second, a new rule was promulgated, 29 CFR 541.303, which spelled out in greater detail the specific computer-related duties that an employee must perform to be considered an exempt professional under 29 CFR 541(4) and clarified that no particular level of education is required to invoke the exemption.

- **3.** History of Washington State Computer Professional Exemption. In 1998, the Department of Labor & Industries, with the intent to achieve conformity with the federal rules, decided to make the principles in the federal law applicable to certain computer industry professionals in Washington State. In doing so, the Department promulgated WAC 296-128-535, which is almost identical to the federal rules, to specifically define the types of duties that a computer industry employee must perform in order to be exempt from overtime. WAC 296-128-535 also clarifies that these computer industry workers need not necessarily hold a degree.
- 4. Knowledge and Duties of Computer Professional Exemption May Quality an Employee Under Both the Computer Professional or Professional Exemptions. For computer professionals, WAC 296-128-535 outlines the type of knowledge and duties that establish the computer worker as a "professional employee" for the purposes of WAC 296-128-530. Thus, if a person meets the knowledge and duties test of WAC 296-128-535 and the educational requirements in WAC 296-128-530, and is paid a salary of no less than \$250 per week, he or she will be considered a professional who has knowledge of an advanced type in a scientific field. See Administrative Policy ES.A.9.5.
- **5.** Computer Professional Employees Paid On An Hourly Basis. If the computer professional is not paid a salary but is paid hourly, the exemption from overtime applies only if the hourly rate of compensation is paid an hourly rate of no less than \$27.63 for all hours worked. Like the federal provision, this is different than the norm where hourly employment would *not* be exempt. If the hourly rate is less than \$27.63 per hour, the *hourly* employee is not exempt from the requirements of the Minimum Wage Act, despite meeting the duties test. The Computer Professional exemption is satisfied if the employee meets the computer professional classifications, primary duties, and highly skilled requirements in WAC 296-128-535 (1) and (2), and is paid on a salary basis equivalent to \$27.63 per hour.
- **6. Duties Test Must Be Met.** A computer system analyst, computer programmer, software engineer, software developer or other similarly skilled workers will be exempt if they perform the following duties.
 - **6.1** Primary duty must include the application of systems analysis techniques and procedures to determine hardware, software, or system functional specifications, or
 - **6.2** Following user or system design specifications to design, develop, document, analyze, create, test or modify any computer system, application or program or prototypes, or

DRAFT

- **6.3** Designing, documenting, testing, creating or modifying computer systems, applications or programs for machine operation systems, or
- **6.4** Any combination of the above that requires the same skill level.
- 7. The professional exemption applies only to highly skilled employees who:
 - **7.1** Possess a high degree of theoretical knowledge and understanding of computer system analysis, programming and software engineering, and
 - **7.2** Have the ability to apply that knowledge and understanding to highly specialized computer fields, and
 - **7.3** Attain the level of expertise and skill through a combination of education and experience in the field, and
 - **7.4** Consistently exercise discretion and judgment in the application of the specialized knowledge, and
 - **7.5** Engage in work that is predominantly intellectual and varied in character.
- **8. Employees Not Included In This Exemption**. This exemption does not apply to trainees or employees in entry level positions learning to become proficient, or employees in computer systems analysis, programming and software engineering who have not attained the level of skill and expertise that allows them to generally work independently and without close supervision. It does not include computer operators, or employees engaged in the manufacture, repair, troubleshooting, or maintenance of computer hardware and related equipment or to employees working under a collective bargaining agreement.